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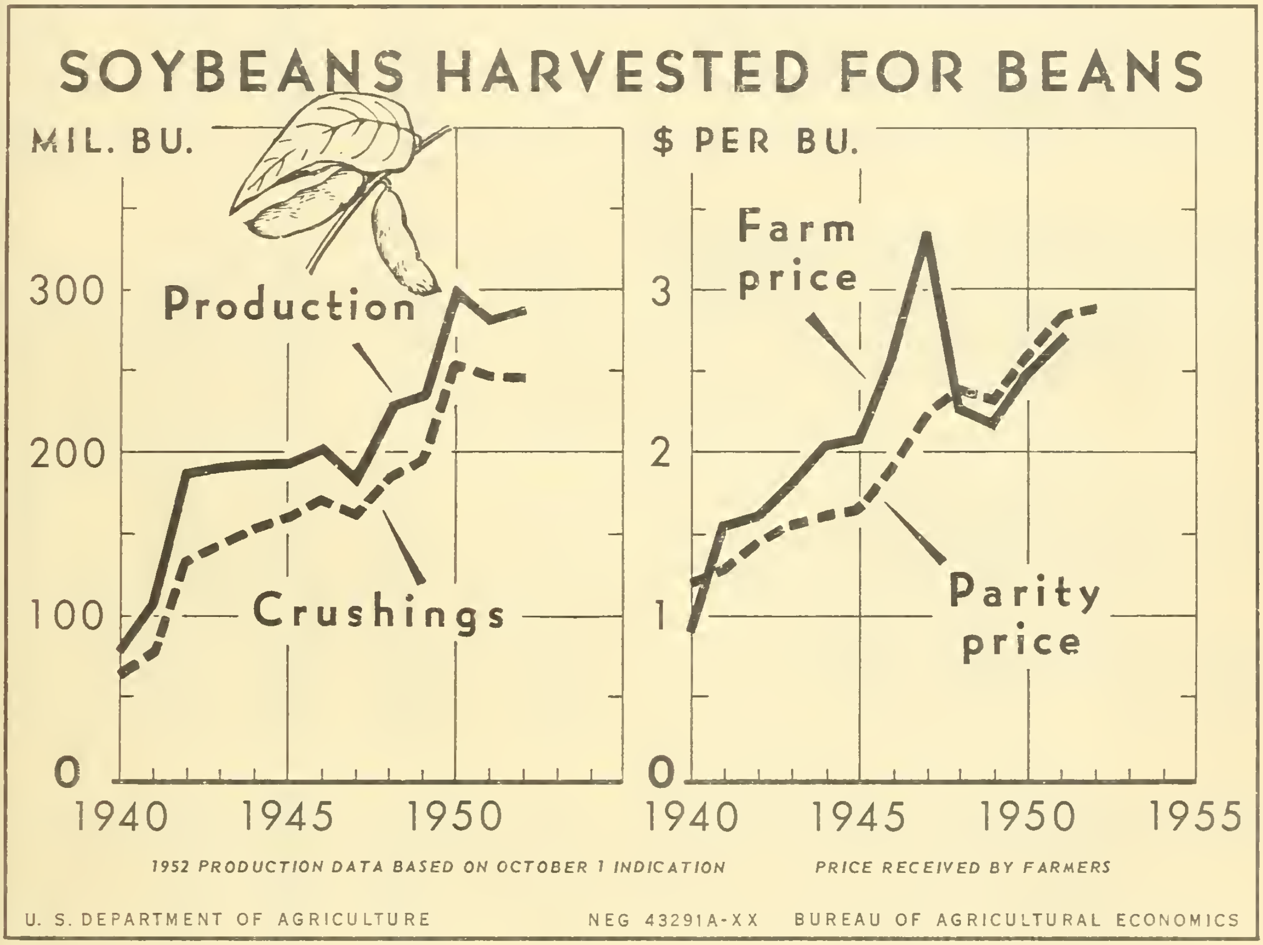
THE Fats and Oils SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

FOS-157 BAE SEPTEMBER - OCTOBER 1952



1952 PRODUCTION DATA BASED ON OCTOBER 1 INDICATION

PRICE RECEIVED BY FARMERS

U. S. DEPARTMENT OF AGRICULTURE NEG 43291A-XX BUREAU OF AGRICULTURAL ECONOMICS

Production of soybeans in 1952-53 is estimated at 286 million bushels, the second largest crop on record and about 2 percent above last year. The record acreage harvested for beans was somewhat offset by a reduction in yield.

Based on historical relationships, the season average price received by farmers for soybeans during 1951-52 ($2.70 per bushel) was high compared to the combined value of the oil and meal obtained from a bushel of soybeans. Higher soybean prices reflected the tendency on the part of farmers to spread their marketings more evenly over the crop year and intensified competition for beans stemming from increasing crushing capacity. A similar situation, with soybean prices at least as high as last year, appears likely in 1952-53.

Table 1 .- Wholesale prices per pound of fats, oils, and glycerin at specified markets, August 1950 and 1951 and June-August 1952

Item	1950	1951	1952		
	August	August	June	July	August
	Cents	Cents	Cents	Cents	Cents
Butter, creamery, Grade B, (90-score) bulk, Chicago	58.4	65.4	67.6	70.1	71.5
Butter, creamery, Grade A, (92-score) bulk, N. Y.	61.2	67.1	69.4	71.6	73.0
Margarine, white, domestic vegetable, Chicago	29.6	29.0	26.8	27.0	27.0
Shortening, cottonseed, hydrogenated, 10-drum lots, N. Y.	24.2	25.8	21.2	21.2	21.2
Shortening, containing animal fat, 1-pound cartons, Chicago	26.8	30.1	24.7	24.5	24.5
Lard, loose, tank cars, Chicago	14.5	16.6	10.2	10.0	9.2
Lard, prime steam, tierces, Chicago	14.8	17.2	11.9	11.5	11.3
Lard, refined, 1-pound cartons, Chicago	19.2	20.3	14.9	14.9	14.5
Oleo oil, extra, drums, N. Y.	17.3	21.1	15.4	15.0	15.0
Oleostearine, barrels, N. Y.	13.6	14.8	14.5	14.5	14.3
Tallow, edible, loose, Chicago	10.2	10.7	8.2	7.7	7.1
Corn oil, crude, tank cars, f.o.b. Midwest mills	17.6	15.8	13.2	12.6	13.3
Corn oil, refined, drums, N. Y.	23.4	21.2	18.4	18.5	18.1
Cottonseed oil, crude, tank cars, f.o.b. S. E. mills	17.2	15.4	12.6	12.6	13.2
Cottonseed oil, p.s.y., bleachable, tank cars, N. Y. 1/	19.6	17.6	14.8	14.7	15.6
Cottonseed oil, refined, drums, N. Y.	24.6	22.6	18.4	20.5	20.5
Peanut oil, crude, tank cars, f.o.b. S. E. mills	19.8	17.5	18.2	15.9	16.1
Peanut oil, refined, drums, N. Y.	27.2	22.6	23.6	25.0	23.1
Soybean oil, crude, tank cars, f.o.b. Midwest mills	14.5	15.4	11.2	11.3	11.4
Soybean oil, refined, drums, N. Y.	19.0	20.6	17.3	17.3	17.0
Babassu oil, tanks, N. Y.	19.1	17.1	---	---	---
Coconut oil, crude, tank cars, Pacific Coast, f.o.b. mill 2/	19.5	16.2	12.9	13.1	12.4
Coconut oil, Cochin type, refined, drums, N. Y. (tax included)	23.9	21.3	17.8	17.9	17.8
Coconut oil, crude, tanks, Atlantic ports (tax included)	20.1	17.2	13.8	13.8	13.6
Olive oil, imported, edible, drums, N. Y.	39.1	34.9	28.7	28.7	29.2
Olive oil foots, domestic, drums, carlots, N. Y.	14.5	17.7	16.0	16.0	15.4
Palm oil, Congo, drums, f.o.b. N. Y. 3/	14.3	21.9	13.8	13.0	12.5
Sesame oil, refined, drums, N. Y.	31.0	38.5	37.0	37.0	37.0
Tallow, inedible, packer's prime, tank cars, f.o.b. Chicago	8.7	9.0	6.3	5.7	5.5
Tallow, No. 1, inedible, Chicago	7.0	7.1	4.9	4.4	4.1
Grease, A white, tank cars, f.o.b. Chicago	8.2	8.0	5.9	5.5	5.3
Grease, yellow, tank cars, f.o.b. Chicago	6.7	6.9	4.5	3.9	3.8
Menhaden oil, light pressed, tanks, N. Y.	13.0	13.5	11.0	11.0	10.6
Sardine oil, crude, tanks, Pacific Coast	9.5	10.4	8.5	---	7.5
Cottonseed-oil foots, raw (50 percent T.F.A.) delivered East	2.4	1.9	1.3	1.3	1.1
Tall oil, refined, tanks, works	5.0	5.8	5.2	5.2	5.2
Linseed oil, raw, tank cars, Minneapolis	16.9	14.1	15.5	15.0	15.0
Linseed oil, raw, drums, carlots, zone 3 (N. Y.)	18.8	15.9	18.4	17.9	18.1
Oiticica oil, drums, f.o.b. N. Y.	21.2	28.0	25.4	24.6	23.3
Tung oil, imported, drums, carlots, f.o.b. N. Y.	26.5	36.8	41.1	40.9	39.8
Tung oil, tanks, N. Y.	25.4	34.7	39.6	39.4	38.4
Castor oil, No. 3, technical, drums, (returnable), carlots, f.o.b. N. Y.	20.4	33.0	29.8	29.3	27.8
Castor oil, No. 1, tanks, f.o.b. New Jersey mills	20.1	32.2	29.0	28.2	27.0
Castor oil, dehydrated, tanks, N. Y.	23.8	37.3	34.1	33.3	32.1
Cod-liver oil, medicinal, U.S.P., barrels, N. Y.	19.8	25.4	20.2	20.2	20.2
Cod oil, Newfoundland, drums, N. Y.	9.8	15.0	10.8	11.5	11.5
Degras, common, barrels, N. Y.	11.5	13.8	11.0	11.0	11.0
Neat's-foot oil, 30°, drums, carlots, N. Y.	26.0	34.5	30.0	29.8	28.4
Rapeseed oil, refined (denatured), tanks, N. Y.	17.6	24.6	19.8	18.8	17.6
Sperm oil, natural, 45°, drums, N. Y.	14.4	17.6	15.1	15.1	15.1
Glycerin, soaplye, basis 80 percent, tanks, N. Y.	4/ 36.5	39.4	21.5	22.0	22.0

Prices compiled from Oil, Paint, and Drug Reporter, The National Provisioner, The Journal of Commerce (New York), Wall Street Journal, Chicago edition, and reports of Production and Marketing Administration. Excise taxes and duties included where applicable.

1/ Near-by futures.
2/ Three-cent processing tax added to prices as originally quoted.
3/ Tax excluded. Tax does not apply to palm oil used in the manufacture of iron or steel products, tin and terne plate. Since 1943 these are the major uses of palm oil.
4/ One quotation only.

THE FATS AND OILS SITUATION

Approved by the Outlook and Situation Board, October 15, 1952

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SUMMARY

Supplies of fats and oils in prospect for 1952-53 will be close to last year's record level. Domestic disappearance is expected to be equal to or greater than in 1951-52 but exports may fall moderately below last season's record level. Prices are expected to remain steady or increase slightly as the season progresses in contrast to the sharp decline which occurred during the first half of 1951-52. In October, prices of fats and oils are averaging about 25 percent below a year earlier.

CCC owns about one-third of the carry-over of old crop cottonseed oil and as of October 1. CCC had accepted tender of 62 million pounds of new crop cottonseed oil. If CCC takes possession of substantial additional quantities of new crop cottonseed oil. prices of edible fats would tend to strengthen later in the season, as the CCC resale price for cottonseed oil is above the current market level. Prices next spring and summer will depend to some extent on 1953 crop prospects as well as indications for the general level of economic activity in the latter part of the year.

Total output of fats and oils in the year beginning October 1, 1952 is estimated at 11.8 billion pounds (including the oil equivalent of oilseeds exported for crushing). This is about 0.4 billion pounds below last year's high output. The entire decline is expected to be in food fats.

Prospective supplies of food fats are nearly as large as last year's record level, with a large carry-over of lard and vegetable oils almost offsetting a moderate drop in production. Total output of edible fats and oils is estimated at nearly 3.8 billion pounds, 5 percent less than last year's record level. Most of the decline will be in lard but production of edible vegetable oils also will be smaller. The 1952 pig, cottonseed and peanut crops are estimated to be down 9, 7 and 27 percent, respectively. Butter production also may be slightly smaller.

Supplies of most nonfood fats in 1952-53 will be adequate to meet all requirements. With a rise in cattle slaughter more than offsetting a decline in hog slaughter, output of inedible tallow and greases will be at least as large as last year when about 2.2 billion pounds were produced. This would permit high domestic use and exports. Supplies of flaxseed are large enough to enable crushers to crush as much as last year. In addition, beginning stocks of linseed oil are equal to about a year's use. Supplies of tung oil will continue relatively small, however, and the demand for castor oil for stockpiling will remain large.

With a continued high level of consumer income and industrial activity expected, total domestic disappearance of fats and oils in 1952-53 may be somewhat larger than in the preceding year. Any increase would be in nonfood uses. Apparent disappearance in 1951-52 is estimated at 66 to 67 pounds (fat content) per person.

Exports of fats and oils from the United States in 1951-52 were at a record or near record level and are expected to be nearly as great in the coming year. Large quantities of lard were shipped to the United Kingdom during the first half of the past crop year but this is not likely to be repeated. A good export demand for U. S. edible oils is expected from areas other than the United Kingdom, as supplies from non-U. S. sources are no larger than in the preceding year. Exports of inedible tallow and greases were at a peak in the past year and probably will continue near this level in 1952-53, as substantial surpluses will be available for export at relatively low prices.

Prices to farmers for 1952 crop soybeans probably will average at least as high as last year's season average price of $2.70 per bushel. Production is only slightly larger than in 1951 and a good demand for meal is expected. A substantial expansion in crushing capacity is being reflected in strong competition among crushers for beans in order to keep their plants operating. The price support level for 1953 crop soybeans is $2.56 per bushel (farm basis), the same as for the 1952 crop.

Prices received by farmers for 1952 crop cottonseed are likely to average near last year's season average price of $69.30 per ton. Higher prices for meal and hulls so far this season have about offset lower prices for oil and linters. The 1952 crop is estimated at 5,858 thousand tons, 7 percent less than a year earlier.

The season average price received by farmers for 1952 crop flaxseed probably will be near the support level of $3.77 per bushel. Last year farmers received $3.71 per bushel, well above support. Flaxseed is being supported at 80 percent of parity compared with 60 percent for the 1951 crop. Although production of flaxseed is down somewhat from last year, total supplies of flaxseed and linseed oil are large. Demand for meal is strong but in contrast to soybeans, only about one-third of the value obtained from a bushel of flaxseed comes from the meal.

Reflecting reduced yield and acreage, the 1952 peanut crop is estimated at 1.2 billion pounds, the smallest since 1939. Acreage was cut sharply because of smaller acreage allotments and repeal of legislation permitting farmers to pick and thresh peanuts for crushing from acreage in excess of the allotments. Supplies will be sufficient to meet domestic requirements for edible use but practically no peanuts will be exported and only those which do not meet standards for other uses will be crushed. Prices received by farmers are expected to average above the 10.4 cents received for the 1951 crop. Last year's price combined lower prices received for peanuts sold for crushing as well as quota peanuts sold at support prices or above.

OUTLOOK

Prices of most fats and oils to remain steady or increase slightly

During 1951-52 prices of edible fats and oils generally followed a downward trend. Wholesale prices of all edible fats and oils except butter declined about 20 percent from the first quarter of the October-September marketing year to the third quarter. Prices during October-December 1952, the first quarter of the 1952-53 crop year, may average about the same as last spring, and probably will remain steady or increase somewhat as the season progresses.

Reflecting declining production, butter prices probably will be higher in most months of 1952-53 than in the preceding year. Lard prices currently are unusually low in relation to those for the edible vegetable oils. Prices of cottonseed products are at a point where substantial quantities are being tendered to Commodity Credit Corporation under the so-called "package" purchase program (see page 7). Deliveries of cottonseed oil from the 1951 cotton crop to CCC totaled 136 million pounds, equivalent to over one-third of the total September 1 carry-over. About 62 million pounds of new-crop oil had been tendered through October 1. Should substantial amounts of new-crop oil be purchased by CCC, this would strengthen prices later in the season, as the CCC resale price for cottonseed oil for domestic use is nearly 2 cents per pound above the current market price. Increasing prices for cottonseed oil undoubtedly would result in higher prices for other edible fats and oils.

The spread between cottonseed and soybean oil prices is somewhat wider than normal this season because of the smaller cotton crop and CCC holdings of oil. The price of peanut oil also is unusually high relative to the other edible vegetable oils because domestic supplies will be limited due to the short peanut crop this year. (See page 14.) Imports of peanut oil are prohibited under authority of the Defense Production Act, as amended. Higher prices for peanut oil will tend to restrict use to salad and cooking oils and other outlets for which this is a preferred oil. The price spread between linseed and soybean oils may be about the same or slightly narrower in 1952-53 than in 1951-52, so that the usage of soybean oil in drying-oil products may decline slightly from the relatively high level of the past season. Large supplies of inedible tallow and greases will tend to keep prices of these fats relatively low (at present they are below their 1937-41 averages) and will encourage exports.

Table 2.- Index numbers of wholesale prices of fats and oils, and wholesale prices per pound of leading fats and oils, United States, specified periods

Item	Average 1937-41	Average Oct. 1950-Sept. 1951	Oct. 1951-Sept. 1952 Range Low	Oct. 1951-Sept. 1952 Range High	Oct. 1951-Sept. 1952 Average 12 months	Mid-October 1952
	Index numbers (1947-49=100)					
All fats and oils	44	95	75	87	81	
All fats and oils, except butter	41	94	50	74	60	55
Grouped by use:						
Butter	44	98	101	114	108	
Lard	41	98	51	90	64	
Food fats other than butter and lard	38	95	50	72	61	
All edible fats and oils	42	97	84	99	91	
Soap fats	43	94	37	68	48	
Drying oils	40	92	80	92	86	
Other industrial	40	101	53	82	64	
All industrial	42	93	50	74	60	
	Wholesale prices, specified markets					
	Cents	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	29.6	67.0	68.4	83.5	73.4	71.5
Lard, tank carlots, Chicago	7.6	15.9	9.2	16.3	11.5	8.4
Cottonseed oil, crude, S.E. mills	7.0	20.0	10.5	14.4	12.7	13.8
Soybean oil, crude, tank cars, midwest mills	6.4	17.8	9.1	13.8	11.3	10.8
Corn oil, crude, tanks, f.o.b. mills	7.4	20.2	11.5	15.4	13.4	14.8
Peanut oil, crude, tanks, f.o.b. mills	7.3	21.3	12.6	16.6	15.7	17.8
Inedible tallow, prime, Chicago	6.3	13.5	4.7	9.1	6.3	5.4
Grease, yellow, Chicago	5.6	11.4	3.8	6.9	4.7	3.8
Coconut oil, crude, tank cars Pacific Coast 1/	7.0	16.5	7.8	13.8	13.2	15.0
Linseed oil, raw, tank cars, Minneapolis	9.3	18.4	15.0	18.7	16.6	15.0
Palm oil, Congo, drums, New York 2/	7.9	23.2	12.1	20.5	15.5	12.8
Castor oil, dehydrated, tanks, New York	N.A.	36.3	32.1	38.8	35.8	31.1
Tung oil, tanks, New York	3/21.7	35.4	39.1	43.4	39.3	38.5

1/ Three cents added to allow for tax on first domestic processing. 2/ Three cents added for tax on first domestic processing in 1937-41. This tax does not apply to palm oil used in the manufacture of iron or steel products, tin and terne plate. Since 1943 these are the major uses of palm oil. 3/ 1937-41, drums. N. A. - not available.

Compiled from Oil, Paint and Drug Reporter, the National Provisioner, Chicago edition of the Wall Street Journal, and reports of Production and Marketing Administration. Index numbers, except "Other Industrial", from Bureau of Labor Statistics.

Cottonseed Prices above Support

On the basis of the October 1 estimates of cotton lint production and the 1947-51 average ratio between production of seed and lint, output of 1952 crop cottonseed would total 5,858 million tons, 467 thousand less than last year. The decline reflects smaller plantings, as the national average yield is just about the same as last year.

Prices to farmers for 1952 crop cottonseed are being supported by loans, direct purchases and a cottonseed products purchase program at levels equivalent to a farm price of $62.40 per ton of cottonseed, basis grade (100).

Under the cottonseed products purchase program, for each ton of eligible cottonseed purchased by a participating crusher from a participating ginner or eligible producer at not less than support prices, CCC will buy if offered specified quantities of crude cottonseed oil, meal and linters, at specified prices. A crusher who wants to take advantage of this offer must sell all three commodities to CCC. Consequently, the total return for all three products will determine whether crushers sell their products on the open market or deliver them to CCC. Thus, the program, while offering a firm support for cottonseed prices, will not necessarily support the prices of the three products at the specified levels.

Under the program, three alternative methods of tendering are open to crushers: (1) they may tender and deliver all three products in the applicable quantities, (2) they may tender all three products in these quantities subject to the condition that they can buy back the meal at market prices, and (3) they may tender and deliver the oil and linters in the applicable quantities and pay CCC the difference between the specified CCC purchase price for cake or meal and the ceiling or market price, which ever is higher. If ceiling prices are in effect, then this price presumably would apply. If ceiling prices are no longer in effect, then the differential payment would be based on the last applicable ceiling price or the current market price whichever is higher. The third method of tendering is authorized by Amendment 1 to CCC Cottonseed Bulletin 3, issued September 26, 1952 and is designed to permit crushers to sell cake or meal forward in areas where ranchers or feeders wish to cover their season's requirements. Under the first and second methods no product may be tendered conditionally or unconditionally which has previously been sold.

Prices received by producers so far this year have been moderately above support and are likely to average about the same as last year's season average of $69.30 per ton. Drought, high-level livestock production, and smaller output of cottonseed has created a strong demand for cottonseed meal and hulls for use as feed. This demand is expected to be sustained throughout most of the crop year. Present market prices for meal and hulls are well above a year earlier while prices for oil and linters are lower.

The following example is given to show the conditions under which it would be advantageous for crushers in the Southeastern area to sell their products to CCC (This assumes that the market price for linters is about the same as the CCC price):

For every ton of eligible cottonseed purchased by participating crushers CCC offers to buy from crushers 860 pounds of 41 percent protein cake or meal at 2.8 cents per pound and 310 pounds of oil at 15.625 cents per pound. The meal price is equivalent to $56 per ton. If the open market price for meal is $1.00 per ton more than this, then crushers on open market sales would receive 43 cents above the CCC price for 860 pounds of meal (860 is 43 percent of a short ton). This is equal to 0.139 cent per pound of oil (43 cents divided by 310). Consequently, for the Southeast area, every increase of $1.00 per ton above $56 received by crushers for meal would offset a drop of 0.139 cent per pound below the CCC price of 15.625 cents per pound of oil, assuming as stated that the market price for linters is about the same as the CCC price.

On the basis of prices in early October, it appears that, at least for the Southeast area, the value of the CCC "package" is slightly greater than what can be obtained on the open market. With present market prices for oil at about 13.7 cents and meal at 4.1 cents per pound ($82 per ton, bulk, Georgia mills), market returns for the CCC stipulated quantities of oil and meal would total $77.73 compared with $72.52 under the CCC program. However, market prices of most grades of linters are below CCC levels and this has tended to reduce the open market value of the products to a level below the CCC value.

Under the 1951 crop cottonseed products purchase program, CCC purchased 136 million pounds of crude oil, 350 million pounds of meal and 82 million pounds of linters. CCC has sold all the meal domestically and a small quantity of the oil for export, but none of the linters. As of October 1 , CCC had accepted tender for the following quantities from the 1952 crop: oil, 62 million pounds; meal, 161 million pounds; and linters, 35 million pounds.

It was announced October 6 that there will be no acreage allotments or marketing quotas for the 1953 cotton crop. These restrictions have not been in effect since the 1950 crop.

Soybean Prices to Average Well Above Support

Production of soybeans in 1952 is estimated at 286 million bushels, 2 percent above last year. Although the acreage to be harvested for beans is at a record level, the national average yield per acre is less than last year. The lower yield reflects primarily a shift in acreage away from the States with the highest yields.

Table 3.- Cottonseed: Price to farmers, acreage, yield, supply and distribution, United States, average 1937-41, annual 1942-52

Year beginning August	Season average price per ton received by farmers	In cultivation July 1		Production	Stocks at mills, August 1	Total supply	Exports 1/	Processed for oil and meal	Seed	Residual 2/
		Acreage	Yield per acre							
	Dollars	1,000 acres	Pounds	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Average 1937-41	26.37	26,358	3/ 420	5,500	134	5,634	--	4,671	4/ 382	439
1942	45.61	23,302	3/ 453	5,202	82	5,284	3	4,498	4/ 344	349
1943	52.10	21,900	428	4,688	90	4,778	3	3,955	317	385
1944	52.70	19,956	491	4,902	118	5,020	4	4,254	279	264
1945	51.10	17,533	418	3,664	219	3,883	4	3,262	286	213
1946	72.00	18,157	387	3,514	118	3,632	8	3,090	320	114
1947	85.90	21,560	434	4,682	100	4,782	5	4,082	314	292
1948	67.20	23,253	511	5,945	89	6,034	6	5,332	384	180
1949	43.40	27,914	470	6,559	132	6,691	11	5,712	279	401
1950	86.40	18,629	3/ 447	4,105	288	4,393	6	3,723	419	179
1951 5/	69.30	27,917	453	6,325	66	6,391	11	5,466	6/	777
1952		26,051	450	7/ 5,858	137	5,995				

Compiled from reports of the Bureau of the Census and U. S. Department of Agriculture.

1/Not separately reported, 1923-41.

2/Includes feed, fertilizer, and loss.

3/In 1938-to 1942 and 1950, based on acres in cultivation July 1 less acres removed to meet allotments.

4/Prior to 1943, seed used for planting was computed at a constant rate per acre, by States.

5/Preliminary.

6/Not available, included in residual.

7/Indicated October 1 if the ratio of lint to cottonseed is the same as the average for the past five years.

During the past year, farmers received a season average price of $2.70 per bushel, 25 cents above support. Bean prices were considerably higher in relation to prices for oil and meal than in most past years. This probably reflected greater competition among crushers because of the increase in crushing capacity, higher oil yields resulting from increases in solvent extraction, and the fact that farmers are extending their marketings over a longer period of time. Stocks of soybeans on farms as of January 1, 1952 were the greatest of record.

Last year, the value of the meal in a bushel of soybeans was substantially greater than the value of the oil. With a strong demand for meal likely in 1952-53, the same relationship probably will obtain. Market prices indicate that prices received by farmers for soybeans in early October averaged about $2.75 per bushel, 19 cents above support. This also was higher relative to oil and meal than in the past. The season average price received by farmers for 1952-crop soybeans may not differ much from the present level.

Exports of soybeans in 1951-52 totaled about 17 million bushels, compared with 28 million bushels in the preceding year. About a third of the total was shipped to Japan in the year just ended compared with almost half of the larger total in 1950-51. The decline in exports to Japan in 1951-52 is believed to reflect an accumulation of stocks at relatively high prices in the preceding year. For such time as hostilities continue in Korea, it appears that Japan will need to import nearly as many soybeans from the United States as in 1950-51. Exports to countries other than Japan (mainly Canada and Europe) were about 30 percent smaller in 1951-52 than in the preceding year. United States exports of soybeans and oil to Europe are affected by the size of the Mediterranean olive oil crop and other indigenous supplies of fats and oils, the availability of soybeans from Manchuria (the major prewar source), and the availability of fats and oils (such as the tropical oils) from other sources. Production of olive oil from the 1952 olive crop will be considerably less than the year before, but beginning stocks are much larger. About 7 million bushels of Manchurian soybeans and soybean oil in terms of beans were shipped through the Suez Canal during the first half of calendar year 1952, only 55 percent as many as in the first half of 1951. No information is available regarding the probable size of such shipments in the future. Total exports of U. S. soybeans in 1952-53 are expected to be somewhat larger than in 1951-52 but smaller than in 1950-51.

Spread between Value of Soybean Products and Prices of Soybeans to Continue Relatively Low

Oilseed crushers, in determining the prices they will offer for soybeans, are influenced to a large extent by their expectations concerning the combined value of the oil and meal obtained in processing. For this reason, the season average price received by farmers for soybeans bears a close relation to the value of the products of soybean processing.

Table 4.- Soybeans: Price to farmers, acreage and yield, supply and distribution, United States, average 1937-41, annual 1942-52

Year beginning October	Season average price per bushel received by farmers	Acreage harvested for beans	Yield per harvested acre	Production	Stocks, October 1	Total supply	Exports 1/	Crushings for oil and meal	Seed	Residual 2/
	Dollars	1,000 acres	Bushels	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Average 1937-41	.96	4,126	18.7	76.7	N. A.	76.7	3.5	54.6	15.4	N. A.
1942	1.61	9,894	19.0	187.5	6.0	193.5	.9	133.5	21.0	25.6
1943	1.81	10,397	18.3	190.1	12.5	202.6	1.0	142.3	19.8	25.5
1944	2.05	10,245	18.8	192.1	14.2	206.3	5.1	153.4	18.9	21.2
1945	2.08	10,740	18.0	193.2	7.7	200.9	2.9	159.5	16.5	17.8
1946	2.57	9,932	20.5	203.4	4.4	207.8	3.9	170.2	17.1	11.1
1947	3.34	11,411	16.3	186.5	5.4	191.9	3/ 3.0	161.4	15.7	19.2
1948	2.27	10,682	21.3	227.2	2.6	229.8	3/23.0	183.7	15.4	4.6
1949	2.16	10,482	22.3	234.2	3.2	237.4	3/13.1	195.3	18.5	7.5
1950	2.47	13,814	21.7	299.3	2.9	302.2	3/27.8	251.6	18.2	.3
1951 4/	2.70	13,211	21.2	280.5	4.2	284.7	3/5/17.0	5/246.0	19.1	
1952		13,906	6/20.6	6/286.2						

1/ Including shipments to United States Territories before April 1948.

2/ Computed from unrounded numbers. Includes use for feed, direct use for food, and loss.

3/ In addition, exports of soybean oil, in millions of pounds and the soybean equivalent in millions of bushels were as follows: 1947, 115 (12.1); 1948, 300 (30.6); 1949, 291 (29.4); 1950, 490 (50.5); 1951 (10 months), 226 (22.6).

4/ Preliminary.

5/ Partly estimated.

6/ Indicated October 1.

N. A. Not available.

Compiled from reports of the Bureau of the Census and U. S. Department of Agriculture.

A statistical analysis for the crop years 1931-40 and 1948-50 indicates that about 99 percent of the annual variation in soybean prices is associated with changes in the combined value of the oil and meal obtained in soybean processing.[1] The equation expressing the relationship between the particular variables used in the analysis indicates that the season average price received by farmers for soybeans tends to equal 75 percent of the combined product value less 12 cents. Thus, if the combined products are worth $3.00 per bushel, the price received by farmers for soybeans would be expected to equal $2.13 [(3.00 x .75) - .12].

Data on prices of soybean meal, bulk, Decatur, are available only since 1940. In an analysis of this type, a longer series is needed. For this reason, the price series used in the analysis was for bagged meal at Chicago. Also a simple average of spot prices for oil and meal for the 12-months in the October-September marketing year was used, whereas it is realized that processors frequently sell oil and meal for forward delivery at a substantial discount. Thus the difference between the value of the products used in the analysis and the price of soybeans reflects in addition to the actual processing margin (1) costs of handling the beans between the point of sale by farmers and the purchase by the processor, (2) bagging and transportation costs for the meal and (3) the extent to which a simple average of spot prices f.o.b. plant differs from prices actually received by processors for the oil and meal.[2] The analysis is designed to show normal relationships which have prevailed in the past between certain price and value series; it is not designed to indicate the actual processing margin.

Table 5 shows the data on which the analysis is based and compares the soybean prices that would have been expected on the basis of the indicated total product value with the actual prices received for the crop years 1931-51.

Product value, of course, reflects the value of both the oil and meal obtained per bushel of soybeans processed. It is apparent from the data in table 5 that the value of the yield of soybean meal has accounted for about half of the combined product value in most of the years since 1931. The percentage of the value of the meal to the total as calculated from this data ranged from 49 to 64 percent during 1931-50, with an average of 54 percent for the period.[3]

In the 1951 crop year, a sharp decline in oil prices more than offset an apparent increase in oil yield and resulted in a decline in the value of the yield of oil per bushel of soybeans processed to $1.13 as compared to $1.73 in the previous year. On the other hand, the strong demand for protein feeds resulted in an increase in the value of the yield of meal from

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[1] From a Marketing Research Report by Martin S. Simon, to be published by the Bureau of Agricultural Economics.

[2] A similar analysis based on prices of soybeans, oil, and meal for the month of October gave almost identical results in terms of the average relationship between the price of the beans and the value of the products.

[3] These percentages have an upward bias in that the price of meal used in the computations includes, among other things, the costs of bagging and of transportation from Midwest mills (where the soybean oil is priced) to Chicago. The extent of the bias depends on the relative importance of these cost items to the total price. Use of the bulk, Decatur, soybean meal price series after 1940 reduces the percentage which meal is of the total value by 3 or 4 percentage points.

$1.83 in the 1950 crop year to $2.28 in the 1951 crop year. It is likely that this value would have been even higher had not rising meal prices been checked by ceiling prices. As it was, many processors sold their meal mixed with other ingredients in order to obtain the higher ceiling prices in effect for mixed feeds. The average 1951 value of meal indicated above includes prices of soybean meal mix for the period in which they were the more applicable price. As a result of these divergent trends in the value of the oil and meal, the value of the meal as a percentage of the total value rose to a record high of 67 percent.

By substituting the estimated 1951-52 combined product value of $3.41 into the above equation, a computed season average price of $2.44 is obtained as compared to an estimated actual price of $2.70. In addition to the statistical errors usually involved in such calculations, the wide differential can be explained in large part by recent developments in soybean marketing and processing which tended to increase soybean prices and may have changed the nature of the relationship.

One of these developments is the continuing expansion of the solvent extraction method of soybean processing. The increased solvent capacity represents new plants and as most screw presses are still in operation or potentially available, it is apparent that total crushing capacity has increased. Moreover, crushing capacity apparently exceeded by a substantial margin the total supply of beans available for crushing in the 1951-52 season.4/ The present annual crushing capacity, assuming continuous operation at peak loads for 11 to 11-1/2 months of the year, is estimated at 310 to 325 million bushels compared with an estimated total soybean crush during 1951-52 of about 245 million bushels. In the North-Central States, where both soybean production and soybean crushing capacity are concentrated, the four leading States (Illinois, Iowa, Ohio, and Indiana) had an excess capacity of about 33 percent in 1951-52. Illinois and Iowa each had an excess crushing capacity of about 37 percent. This situation resulted in increased competition for beans for crushing which, together with the strong demand for soybean meal, kept prices of soybeans in 1951-52 relatively high.

A second development which may have had a similar effect on soybean prices has been the growing tendency on the part of farmers to market a smaller proportion of their beans immediately following harvest. During the last few years, farmers who stored their beans and sold them some months after harvest usually obtained a considerably higher price than farmers who sold them soon after harvest. This has encouraged farmers to store their beans. Increasing storage capacity and the price support program for soybeans also have promoted orderly marketing. Stocks of soybeans on farms comprised 37 percent of the preceding crop on January 1, 1952, and 34 percent on January 1, 1951. The 1945-50 average is 25 percent. This development would tend to have an upward effect on soybean prices to farmers as farmers would pay more of the storage costs and assume more of the price risk of carrying the beans.

4/ R. H. Walsh, Production and Marketing Administration, in a paper presented at the 32nd annual Convention of the American Soybean Association in September, 1952, estimated that in the 1951-52 crop year about 75 percent of total soybean crushing capacity was used.

As a result of the above factors, prices of soybeans were unusually high relative to product value during the 1951-52 crop year and the spread between the two was narrower. As indicated, many processors, in order to widen their margins, sold the meal mixed with other ingredients, thus taking advantage of the higher ceilings for mixed feeds than for soybean meal as such. However, a new ceiling price regulation, designated CPR 173, effectiv September 30, raises the ceiling of straight soybean meal by $6, to $87 per ton (bulk, f.o.b. Decatur, Illinois) and in general reduces ceilings of soybean meal mixes to or below the level of the straight meal. Present prospects indicate that the spread between product value and soybean prices will continue relatively low in 1952-53.

Prices for Peanuts Higher This Year

Reflecting a sharp cut in acreage and yield, production of peanuts in 1952 is estimated at 1,225 million pounds, 451 million less than last year and the smallest crop since 1939. The 1952 acreage allotment was 183 thousand less than last year. Legislation permitting farmers to pick and thresh more than their allotted acreage if the peanuts from this "excess" acreage were sold for crushing was repealed this spring. Hence, unlike last year, producers had to stay within their allotments in order to get support for their peanuts and to avoid a marketing penalty. Total acreage picked and threshed in 1952 was 353 thousand below the year before and slightly less than the national allotment. Last years' picked and threshed acreage was 129 thousand acres above the national allotment. Drought, primarily in the Southwest, reduced yields considerably below a year earlier.

With edible and farm uses of peanuts remaining relatively stable in recent years, reductions in output are reflected in reductions in total exports and crushings. Edible uses of peanuts per person probably will remain about the same as last year, with the expected rise in consumers' income offsetting the effect on consumption of some rise in the price of peanuts. Beginning stocks are larger than last year and total supplies are adequate to meet domestic requirements for edible and farm uses. However, stocks will be reduced. Practically no peanuts will be exported and about the only ones crushed for oil will be those which do not meet the standards for other uses.

Peanuts produced in 1952 are being supported at a schedule of prices which reflect a national average price of 11.97 cents per pound (for average quality peanuts), slightly higher than last year. The mid-September price received by farmers was 11.1 cents per pound, reflecting lower than support prices being paid by shellers in the Southeast as well as high damage to the crop and hence less than average quality in this area. Growers in the Southwest in early October received more than support prices for their peanuts. Prices received by farmers are expected to average above last year's season average price of 10.4 cents per pound. The 1951 average included lower prices received for peanuts sold for crushing as well as quota peanuts sold at support prices or above.

Table 5.- Soybeans: Yield, wholesale price per pound, and value of the oil and meal per bushel of soybeans processed, actual and computed season average price per bushel, 1931-51

Year beginning October	Soybean oil			Soybean meal			Combined value of oil and meal	Value of meal as percentage of combined value 4/	Soybeans, season average price	
	Yield	Price 1/	Value	Yield 2/	Price 1/	Value 3/			Actual 1/	Computed 5/
	Pounds	Cents	Dollars	Pounds	Cents	Dollars	Dollars	Percent	Dollars	Dollars
1931	8.5	3.4	.29	48.5	1.04	.51	.80	64	.50	.48
1932	8.4	4.6	.39	48.6	1.36	.66	1.05	63	.54	.67
1933	8.6	5.9	.51	48.4	1.67	.81	1.32	61	.94	.87
1934	8.6	7.8	.67	48.4	1.70	.83	1.50	55	.99	1.01
1935	8.3	7.4	.61	48.7	1.43	.70	1.31	53	.73	.86
1936	8.9	9.1	.81	48.1	2.03	.98	1.79	55	1.27	1.23
1937	9.2	5.7	.52	47.8	1.38	.66	1.18	56	.85	.77
1938	9.3	4.8	.45	47.7	1.30	.62	1.07	58	.67	.68
1939	9.4	4.9	.46	47.6	1.44	.69	1.15	60	.81	.74
1940	8.8	7.0	.62	48.2	1.52	.73	1.35	54	.90	.89
1941 6/	9.2	11.2	1.03	47.8	2.09	1.00	2.03	49	1.55	1.41
1942 6/	9.0	11.8	1.06	48.0	2.14	1.03	2.09	49	1.61	1.45
1943 6/	8.6	11.8	1.01	48.4	2.60	1.26	2.27	56	1.81	7/ 1.59
1944 6/	8.8	11.8	1.04	48.2	2.60	1.25	2.29	55	2.05	7/ 1.60
1945 6/	8.9	11.9	1.06	48.1	3.12	1.50	2.56	59	2.08	7/ 1.80
1946 6/	9.0	22.8	2.05	48.0	4.06	1.95	4.00	49	2.57	2.89
1947 6/	9.5	23.7	2.25	47.5	4.58	2.18	4.43	49	3.34	3.21
1948	9.8	13.1	1.28	47.2	3.82	1.80	3.08	58	2.27	2.19
1949	9.9	12.3	1.22	48.0	3.73	1.79	3.01	59	2.16	2.14
1950	9.7	17.8	1.73	47.6	3.84	1.83	3.56	51	2.47	2.55
1951 8/	10.0	11.3	1.13	47.3	9/ 4.81	2.28	3.41	67	2.70	10/ 2.44

1/ Simple average price per pound for the 12 months beginning October using the following quotations: Soybean oil, crude, tank cars, f.o.b. midwest mills: soybean meal, bagged, Chicago, quoted as 41 percent beginning November, 1936, 44 percent beginning July, 1950.

2/ 1931-48 yields computed by taking 95 percent of total weight (60 pounds) of a bushel of soybeans minus corresponding yield of oil; thereafter computed from data reported by the Bureau of the Census.

3/ Based on unrounded price data.

4/ These percentages have a slight upward bias of about 3 to 4 points because of the meal price series used. See page 12, footnote 3.

5/ From the regression equation, $X_1 = -.12 + .75 X_2$.

6/ Not used in the analysis.

7/ In order to stimulate production, support prices for soybeans during the 1943-45 seasons were set above the price processors could pay on the basis of ceiling prices for oil and meal. The Commodity Credit Corporation purchased soybeans from processors and resold the beans to them at a lower price based on oil content. The analysis indicates the prices for soybeans which would have been expected on the basis of the 1943-45 ceiling prices for the products.

8/ Preliminary.

9/ April-September prices used in this computation were for the soybean meal mix.

10/ A difference between the calculated and actual value as large as that for 1951 would be expected to occur by chance less than 2 percent of the time if there were no basic change in the underlying factors applying to this relationship. Thus, it appears likely that some basic change in the structure has taken place as discussed in the text. This computation was based on the standard error of forecast for that year.

Compiled from reports of the Bureau of the Census, the Production and Marketing Administration, the Bureau of Agricultural Economics, and the Oil, Paint and Drug Reporter.

Methodological note: Season average prices for soybeans are weighted averages for the 12 months in the marketing year based on production by States and sales by months of soybeans. Season average prices for soybean oil and meal, on the other hand, are merely simple averages of monthly prices for the October-September marketing year. Moreover, these prices reflect primarily prices of oil and meal sold for immediate delivery and hence do not strictly represent actual prices received by processors as they do not take full account of the lower prices for sales for deferred delivery. These limitations of the price data tend to make the spread between the combined value of these products and the price of soybeans overly wide. The development of a better price series would need to take into account prices of the oil and meal both for immediate and deferred delivery and weight them by sales. Sufficient data for this task are not available. However, as interest is centered on the average relationship between the combined value of the yield of the soybean products and prices received by farmers for soybeans, the analysis using simple averages of product prices is believed to give satisfactory results. In a similar investigation concerning cottonseed and cottonseed products, use of a series on the total value of products published by the Bureau of the Census (the equivalent of a product value series based on weighted average product prices) was found to give about the same results on the average as an analysis using a product value series based on simple averages of product prices.

Prices for 1952 Crop Flaxseed to be Near Support

Reflecting reduced acreage, the 1952 flaxseed crop declined 3 million bushels from last year to 31 million. Plantings were reduced by dry weather and by competition from other crops. Total disappearance of flaxseed and linseed oil in 1952-53 may be about 30 percent larger than production of flaxseed. This will result in a reduction in the large stocks of flaxseed and linseed oil on hand at the beginning of the year but stocks at end of season will still be large--about equal to 35 million bushels of flaxseed.

Price support for 1952 crop flaxseed, now being marketed, is at a national average farm price of $3.77 per bushel. The current price for flaxseed is near support and is expected to average near this level. Last year's season average price was $3.71 per bushel. Prices for 1953 crop flaxseed will be supported at a national average farm price of $3.79 per bushel. Support for the 1953 crop was announced in September in accordance with legislation that requires that the level of price support for field crops be announced, insofar as practicable, in advance of planting. Planting will soon be underway in Texas, Arizona, and California.

Programs for Other Oil Crops

The 1952 tung nut crop is being supported at $67.20 per ton (basis 17.5 percent oil content). Grower-owned 1952 crop tung oil is being supported at 26.5 cents per pound. These prices are the same as last year, but represent 62.2 percent of parity compared with 60 percent a year earlier. Prices for tung oil this past year were substantially above support and no oil or nuts were acquired by CCC.

No official estimate of 1952 tung nut production will be available until mid-December, but unofficial reports indicate a large increase over last year's small crop. However, with present market prices for tung oil about 45 percent above support, it is not likely that CCC will acquire any oil.

A program for the domestic production of 1952-crop castor beans on approximately 200,000 acres (116,000 more than a year earlier) was announced last November. Present estimates indicate that about 122,000 acres were planted under the 1952 program. Last year, 63,000 acres were harvested. Yields are likely to be better than last year when they were disappointingly low. Hence production will be considerably greater than in 1951 when it totaled about 21 million pounds, hulled basis.

As last year, prices to be guaranteed farmers for castor beans grown under contract will be 10 cents per pound, hulled basis, or the market price at time of delivery, whichever is higher. Prices received by farmers

Table 6.- Peanuts: Price to farmers, acreage, yield, supply and disposition (farmers' stock basis), United States, average 1937-41, annual 1942-52

Year beginning Sept. 1	Season average price per pound received by farmers 1/	Picked and threshed			Total supply	Exports and shipments	Crushed for oil	Seed, feed, farm loss and shrinkage	Domestic food use		
		Acreage	Yield per acre	Production 1/					Military	Civilian	Civilian per capita
	Cents	1,000 acres	Pounds	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pounds
Average 1937-41	3.6	1,818	767	1,395	1,523	3	302	197	15	891	6.8
1942	6.1	3,355	654	2,193	2,310	4	448	328	146	1,169	8.8
1943	7.1	3,528	617	2,176	2,398	36	478	317	223	1,099	8.4
1944	8.0	3,068	678	2,081	2,403	29	2/ 431	284	288	1,131	8.7
1945	8.3	3,160	646	2,042	2,280	63	2/ 378	316	14	1,228	9.5
1946	9.1	3,141	649	2,038	2,325	252	534	317	---	1,022	7.5
1947	10.1	3,377	646	2,182	2,379	483	478	292	3	948	6.7
1948	10.5	3,296	709	2,336	2,510	762	483	236	6	904	6.2
1949	10.4	2,308	808	1,865	1,983	131	612	227	7	888	6.0
1950	10.9	2,264	893	2,022	2,141	72	642	213	14	946	6.3
1951 3/	10.4	2,018	831	1,676	1,931	4	413	4/ 200	4/ 10	4/ 982	6.4
1952		1,665	5/ 736	5/ 1,225							

1/ Year beginning August 1 in the Southwestern area; September 1 in the Southeastern area; and November 1 in the Virginia-Carolina area.
2/ Total crushings minus crushings of imported Argentine peanuts.
3/ Preliminary.
4/ Partly estimated.
5/ Indicated October 1.

Exports from Bureau of the Census. Other data from Bureau of Agricultural Economics.

Table 7.- Flaxseed: Price to farmers, acreage, yield, production, net trade, crushings and stocks; also, stocks and total disappearance of linseed oil in terms of flaxseed, United States, average 1937-41, annual 1942-52

Year beginning July	Flaxseed							Linseed oil in terms of flaxseed	
	Season average price to farmers per bushel	Planted acreage	Yield per planted acre	Production	Net imports (+) or net exports (-)	Crushings	Total stocks, July 1 1/	Stocks, July 1	Total disappearance 2/
	Dollars	1,000 acres	Bushels	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Average 1937-41	1.63	2,305	8.0	19.6	+16.8	33.9	3.8	7.2	33.0
1942	2.36	4,698	8.7	41.0	+ 6.3	44.3	6.2	11.8	49.3
1943	2.83	6,182	8.1	50.0	+16.8	54.6	4.4	10.1	51.8
1944	2.90	2,887	7.5	21.7	+ 5.1	32.9	12.2	17.7	44.0
1945	3/ 2.89	3,953	8.7	34.6	+ 3.4	29.3	3.1	8.2	37.3
1946	4.04	2,641	8.6	22.6	+ 1.3	24.6	6.6	5.7	31.1
1947	6.15	4,264	9.5	40.6	+ .7	30.1	1.7	7.6	32.2
1948	5.71	5,121	10.7	54.8	- 4.1	37.3	7.2	7.0	25.2
1949	3.63	5,348	8.0	43.0	- 2.0	37.4	19.4	19.3	26.3
1950	3.34	4,274	9.4	40.2	- 2.9	42.2	17.0	29.4	38.2
1951 4/	3.71	4,114	8.2	33.8	- 4.2	30.3	12.3	33.3	30.0
1952		3,585	8.7	5/ 31.0			11.2	33.6	

Compiled from reports of the Bureau of the Census and United States Department of Agriculture.

1/ Partly estimated before 1948.
2/ Domestic disappearance plus exports.
3/ In addition, farmers were eligible for payments of $5.00 per planted acre (equivalent to 56 cents per bushel at the average yield of 9 bushels per acre).
4/ Preliminary.
5/ Indicated as of October 1.

for 1951 crop castor beans ranged from 10.5 to 12 cents per pound. With present prices for castor beans and oil well below a year earlier, prices received by domestic growers for 1952 crop beans will be closer to the minimum guarantee than they were for the 1951 crop.

It was announced September 19 that prices of domestic producers' olive oil from the 1952 olive crop will be supported at $2.50 per gallon of 7.61 pounds, equivalent to 32.85 cents per pound of oil. This price also is equivalent to about $84 per ton of oil olives. The support price for the oil is the same as for the preceding crop. In mid-October, olive oil (imported, duty-paid, edible, drums, N. Y.) was selling for about 31 cents per pound. Most of the United States requirements for olive oil is met by imports from Mediterranean countries. Supplies of olive oil in the Mediterranean Basin are large as the result of the carry-over from the record 1951 crop.

Under the 1951 program, 2.7 million pounds of oil were placed under loan. Growers have until the end of calendar 1952 to redeem the oil.

Domestic Output of Fats and Oils to Decline Moderately from 1951-52 Level

Production of fats and oils from domestic materials (including the oil equivalent of exported domestic oilseeds) probably will total 11.8 billion pounds in the year beginning October 1952. This is about 0.4 billion pounds less than last year's high level. The entire reduction will be in food fats with the major part of the decline in lard.

Animal fats--Butter production has been trending downward in the last few years and is expected to continue to do so in 1952-53, although at a slower rate. A small increase in milk output is expected in the coming year but less will be available for butter production because increasing quantities are being diverted to fluid milk and other outlets which yield a higher return than butter. Production of butter in 1952-53 is indicated at 1,370 million pounds compared with about 1,405 million the year before.

Lard output in 1952-53 probably will fall to about 2,650 million pounds compared with about 2,920 million pounds a year earlier. The 1952 spring pig crop was 9 percent less than the year before and farmers' reports as of June 1 indicate a 9 percent drop in the 1952 fall pig crop. Any change in farmers' intentions for the 1952 fall pig crop probably would be toward an increase because of the bumper 1952 corn crop. The yield of lard per 100 pounds of liveweight increased slightly in the past year, reflecting saturation of the limited market for fatcuts, and offset a decline in the average liveweight of hogs slaughtered under Federal inspection. Lard yields may be somewhat less in 1952-53 than the year before, as little change in weights is expected and the drop in slaughter may be reflected in some decline in yield per 100 pounds of liveweight.

Table 8.- Number and average live weight of hogs slaughtered under Federal inspection, yield of lard per hog and per 100 pounds live weight, and production of federally inspected lard, average 1937-41 and 1946-51

Period	Hog slaughter		Yield of lard per		Lard production
	Number	Average live weight	Hog slaughtered	100 pounds	
	Thousand	Pounds	Pounds	Pounds	Million pounds
Average					
1937-41	41,223	234.1	29.7	12.7	1,224
Year beginning					
October:					
1946	47,064	257.0	35.4	13.8	1,666
1947	47,736	251.0	34.1	13.6	1,628
1948	51,205	249.9	36.2	14.5	1,855
1949	56,379	243.9	35.4	14.5	1,995
1950	60,984	246.5	35.7	14.5	2,178
1951 1/	62,900	243.0	35.7	14.7	2,250

Compiled from reports of the Production and Marketing Administration.
1/ Preliminary.

Production of inedible tallow and greases in 1952-53 may be at least as large as the estimated 2,250 million pounds produced the year before. Output of greases will decline as a result of the drop in hog slaughter. However, this will be offset by an increase in tallow production. Cattle slaughter started to rise this past year and is likely to increase during the next few years. With a record number of cattle on feed, more fed cattle will be slaughtered in 1952-53 than the year before. This also will tend to increase tallow production. The ratio between total liveweight of hogs and cattle slaughtered and total production of inedible tallow and greases in the past year has been less than the high 1950-51 level but about the same as in the two prior years. No increase in yield is likely in 1952-53 as prices are not expected to be conducive to expanded activities by renderers.

Vegetable oils - Production of vegetable oils used chiefly for food is likely to total nearly 4.6 billion pounds (including the oil equivalent of oilseeds exported for crushing) in the 1952 marketing year. This would be 0.1 billion pounds below last year's peak but still more than in any other year.

The expected reduction in vegetable oil production reflects a 7 percent and 27 percent drop, respectively, in the cottonseed and peanut crops. Very few peanuts will be available for crushing or export this year. With the 1952 soybean crop slightly larger than last year, exports and crushings of soybeans in 1952-53 will not differ much from last year's total of about 260 million bushels. Since corn oil is a byproduct of the processing of corn for other products such as cornstarch and corn sugar, processing for these purposes varies principally in respect to the demand for these products. As demand is expected to continue strong, production of corn oil will be near last year's level.

Supplies of flaxseed in fiscal 1952-53 are large enough to maintain crushing and exports about equal to last year when they totaled 34.4 million bushels, equivalent to 685 million pounds of oil. Total supplies of flaxseed on July 1, 1952 were 42.2 million bushels.

Domestic production of both tung and castor oil will be considerably greater than last year. But production will be only a small part of total supply.

Exports of Fats and Oils to Decline Moderately

During the 11-month period, October 1951 - August 1952, exports totaled 2,185 million pounds, 3 percent above a year earlier and the largest on record. The 1951-52 total includes 661 million pounds of lard, 666 million pounds of inedible tallow and greases, and 412 million pounds of soybean oil and the oil equivalent of soybeans. Exports of animal fats were considerably larger than in the preceding year, but those of soybeans and soybean oil were materially smaller. Shipments of soybean oil in 1950-51 were unusually large because of the short olive crop in the Mediterranean area in 1950.

As in the preceding year, about two-thirds of the total lard exports went to the United Kingdom, Cuba and Latin American countries. Sizeable shipments also went to the Netherlands, Germany and Yugoslavia. Exports to all of these areas, except Yugoslavia, were substantially larger in 1951-52 than in the preceding year. However, no lard was shipped to the United Kingdom after May 1952, and it is expected that exports to that country will continue low throughout 1952-53 due to the official position of the United Kingdom to conserve dollar exchange.

About half of the total exports of inedible tallow and greases went to Italy, Latin America, Japan and Taiwan (Formosa). Exports to each of these areas were materially larger in 1951-52 than in 1950-51. Exports of inedible tallow and grease are expected to continue large in 1952-53. Substantial surpluses for export again will be available in the United States and prices will be low relative to those for competing fats and oils.

Countries taking the largest quantities of soybeans and soybean oil in 1951-52 were the Netherlands, Canada, Japan and Taiwan (Formosa), although a number of other European countries took sizeable amounts. Exports to Italy and Spain were much smaller in 1951-52 than a year earlier, reflecting the larger production of olive oil in these countries in 1952. Exports to Japan also were smaller (see page 10).

Exportable supplies of edible vegetable oils from non-dollar sources are expected to be about the same in 1952-53 as in the preceding year, a lower production being about offset by larger beginning stocks. There was a good set of olives in the Mediterranean countries in the spring of 1952 but the crop was damaged by unusually hot summer weather and will be materially smaller than the bumper 1951 crop. Declines are likely in

Table 9.- Estimated production of fats and oils from domestic materials and oil equivalent of exported domestic oilseeds, year beginning October 1952 with comparisons

Item	Average		1948	1949	1950	1951 1/	1952 2/
	1937-41	1942-46					
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
Butter (actual weight)	2,220	1,760	1,657	1,701	1,472	1,405	1,370
Lard and rendered pork fat	2,091	2,514	2,479	2,626	2,811	2,920	2,650
Edible beef fats 3/	225	197	170	168	158	170	180
Total, edible animal fats	4,536	4,471	4,306	4,495	4,441	4,495	4,200
Corn oil	173	221	225	242	243	220	225
Cottonseed oil	1,456	1,179	1,735	1,795	1,224	1,725	1,650
Edible olive oil	6	5	8	2	2	5	5
Peanut oil	87	4/128	146	184	185	120	35
Peanuts (shelled), oil equivalent of exports for crushing abroad 5/	---	10	214	32	21	---	
Soybean oil	500	1,344	1,807	1,937	2,451	2,450	2,650
Soybeans, oil equivalent of exports 6/	31	24	225	128	272	165	
Total, edible vegetable oils	2,253	2,911	4,358	4,321	4,397	4,685	4,565
Inedible tallow and greases	1,303	1,782	2,101	2,150	2,340	2,250	2,250
Fish, whale and seal oils 7/	220	170	111	158	164	125	120
Total, soap fats and oils	1,523	1,952	2,212	2,308	2,504	2,375	2,370
Linseed oil 8/	361	579	731	726	808	550	600
Flaxseed, oil equivalent of exports 9/	---	10/	92	49	78	55	
Tung oil	2	8	17	27	12	11	30
Castor oil	---	---	---	---	---	9	25
Total, drying oils	363	588	840	802	899	625	655
Other fats and oils 11/	21	36	23	25	32	25	25
Grand total	8,696	9,958	11,738	11,950	12,273	12,205	11,815

1/ Preliminary.
2/ Forecasts based on October 1 crop estimates and other indications.
3/ Edible tallow, oleo stock; oleo oil, and oleostearine. Beginning January 1949, use of edible tallow in pressing is subtracted from reported production of tallow.
4/ Excludes oil equivalent of Argentine peanuts imported in 1944.
5/ 43 percent of actual weight.
6/ 9 pounds per bushel, 1937-46; 9.5 pounds in 1947; 9.8 pounds in 1948-1951.
7/ Excludes cod oil and fish liver oils.
8/ Excludes oil equivalent of imported flaxseed.
9/ 19.8 pounds per bushel.
10/ Less than 500,000 pounds.
11/ Neats'-foot oil, wool grease, cod and fish-liver oils, and vegetable oils not reported separately by kind.

Compiled from reports of Bureau of the Census, Fish and Wildlife Service, and U. S. Department of Agriculture. Totals computed from unrounded numbers.

production of Philippine and Indonesian copra and West African peanuts but increases are probable for Sumatran and Nigerian palm oil. Carry-over stocks increased during 1951-52 in most major exporting countries, particularly Spain and Nigeria, and stocks in mid-1952 in most importing countries were considered to be normal or above normal, but below the large stocks of January 1952. As edible fats and oils represent one of the lowest-cost sources of food energy, a substantial European demand for edible fats and oils from the United States is expected to continue.

World exports of linseed oil from major surplus-producing countries in calendar 1952 are likely to total only 550-650 million pounds, compared with over 1 billion pounds in 1951. The reduction mainly reflects the declining acreage and production of flaxseed in Argentina, together with the depletion of previously accumulated stocks in that country. Exports of flaxseed and linseed oil from Argentina in 1952 probably will total 100-125 million pounds, in terms of oil, compared with 760 million pounds in 1951 and an average of 1,155 million pounds in 1934-38. They may total around 350 million pounds in 1953. Reflecting increased production of flaxseed, Canadian exports (in terms of oil equivalent) may total 150 million pounds in 1953, compared with 100 million pounds in 1952, and only 33 million pounds in 1951. Exports probably will increase from certain other countries, such as India, and Uruguay. Increases from these countries will offset in part the lower exports from Argentina. The relatively small total world supplies available for export coupled with a continued strong European demand normally would result in large exports of flaxseed and linseed oil from the United States. However, such exports will be limited by the shortage of dollar-exchange in Western European countries. Total foreign supplies of gold and dollars (excluding foreign military aid) available for the 1952-53 marketing year are expected to total approximately the same as in 1951-52. However, these funds can be used in many ways in addition to purchasing fats and oils from the United States.

Exports of fats and oils in 1952-53 are expected to continue much larger than in the prewar period. However, they may decline moderately from the level achieved during the first 11 months of the 1951-52 marketing year.

Little Change in Imports of Industrial Fats and Oils

Imports of fats, oils, and the oil equivalent of oilseeds into the United States in the 10 months ended July 1952 totaled 829 million pounds, compared with 1,195 million pounds for the corresponding period a year earlier. The principal items were 456 million pounds of coconut oil and the oil equivalent of copra, 196 million pounds less than a year earlier; 136 million pounds of castor oil and the oil equivalent of castor beans, 34 million pounds less than in the previous year; 80 million pounds of palm oil, 21 million pounds more than a year earlier; and 26 million pounds of tung oil, compared with 58 million pounds in the previous year. Imports of edible vegetable oils other than olive oil were small.

Lower exports of copra from the Philippines to this country mainly reflect a reduced demand for coconut oil growing out of the smaller production of soap products during the past year. During the first 6 months of 1952, Philippine copra and coconut oil exports, on an oil equivalent basis, were 10 percent less than in the comparable period a year earlier. About half of the shipments were to the United States, compared with 27 percent to Europe. The proportion shipped to the U. S. was about the same as in the first half of 1951. Due to unfavorable prices, recent typhoon losses, and a tendency for farmers to shift to the production of rice and corn, production of copra in the Philippines is expected to be moderately lower in 1952-53 than in 1951-52. However, supplies probably will be fully adequate to meet United States requirements.

Smaller imports of castor beans and oil in 1951-52 mainly reflect the reduced 1951 production in Brazil and India. Brazil normally produces over a third of the world total, and India, almost a third, with most of the imports by the United States coming from these two countries. Cultivated production in Brazil is expected to be about the same in 1952, but, given normal weather, production in India may increase. Thus, imports may be somewhat larger in 1952-53 than in the preceding year. In addition, as discussed on page 16, production in the United States is expected to increase. However, available supplies will continue short of demand.

World trade in tung oil has been largely determined since the mid-1930's by political and military events in China. Before World War II, exports from China constituted over 95 percent of the supplies available to the rest of the world. Exports from China in 1948-1950 were as large as prewar, but in 1951 were sharply reduced as a result of embargoes on trade between China and the United States. Partly as a result of the uncertainty of Chinese supplies during the past two decades, tung tree groves have been established in several other countries. The principal producing countries other than China are the United States, Argentina, Paraguay and Brazil. Large-scale plantings also have been made recently in Nyasaland. Total production of tung oil in these countries is now around 50 million pounds annually (about half of which is in the United States), compared with over 200 million pounds in China, and is increasing sharply. Hence, world dependence on exports from China eventually will be reduced considerably. In the meantime, supplies available to the United States appear to be adequate for defense requirements for quick-drying oils although not large enough to supply industrial usage at historical levels.

Under Public Law 429, no imports of butter, peanuts and other fats and oils (including oil bearing materials, fatty acids, and soap and soap powder, but excluding coconuts and coconut products) may be admitted to the United States which the Secretary of Agriculture determines would (a) impair or reduce the domestic production of any such commodity below present production levels, or below such higher levels as the Secretary may deem necessary in view of domestic and international conditions, (b) interfere with orderly domestic storing and marketing or (c) result in any unnecessary burden of expenditure under any Government support program. In accordance with the provisions of this Act, importation of the following commodities for domestic consumption are prohibited by Defense Food Order No. 3, as amended: Butter, butter oil, flaxseed (except screenings, scalpings, chaff and scourings), linseed oil, peanuts, and peanut oil.

Exports of tung and castor oils for industrial use are controlled under a quarterly limitation. The maximum limits for the fourth quarter of 1952 are as follows: 100,000 pounds of commercial and sulphonated castor oil and 90,000 pounds of tung oil. These quantities are the same as for the preceding quarters of 1952. Exports of medicinal castor oil are on an open-end quota.

Domestic disappearance of fats and oils to continue high in 1952-53

Domestic disappearance of fats and oils in the year ending September 1952 apparently totaled about 10.5 billion pounds (including the fat content of butter), or about the same as in the two preceding years. On a per person basis, apparent disappearance in 1951-52 was between 66 and 67 pounds (fat content). The per person rate was somewhat lower than in the preceding year, when some inventory accumulation in positions not covered by Census reports is believed to have taken place for inedible products. Food uses may have been about 1.5 pounds per capita larger in 1951-52 than in the preceding year, but use in industrial products was about 3 pounds smaller. With a continued high level of consumer income and industrial activity expected, total domestic disappearance of fats and oils in 1952-53 may be somewhat higher than in the preceding year, with a rise in nonfood uses.

Butter- A further decline in butter consumption to about 8.5 pounds (actual weight) per capita, the lowest point on record, is expected in 1952-53. Consumption per capita in 1951-52 was about 9 pounds, 11 percent lower then a year earlier. The downtrend in consumption reflects mainly a decline in the demand for table spreads and increased supplies of alternative products, particularly margarine and cheese spreads. Milk production has declined in recent years in important butter-producing areas. In other areas, milk has been diverted to fluid consumption and to the manufacture of certain whole milk products. Price supports for butter at 67.75 cents per pound for Grade A or better throughout the country are in effect from April 1, 1952, through March 31, 1953. However, no butter has been purchased under the current program.

Margarine- Consumption of margarine has increased considerably since the repeal of the Federal tax of 10 cents per pound on colored margarine effective July 1, 1950. Consumption increased by about 10 percent over the preceding year in 1950-51 and by about 20 percent in 1951-52. A further increase is anticipated for the coming year and almost as much margarine as butter will be consumed. Consumption per capita in 1951-52 was about 7.7 pounds. Price relationships between margarine and butter have been favorable to an increased use of margarine. This reflects diminishing supplies of butter and the availability of large stocks of fats and oils used in margarine at relatively low prices. Many States have repealed or modified their restrictions on production and sale of colored margarine. Repeal of such prohibitions became effective in Pennsylvania in September 1951 and in New York on July 1, 1952. Only 7 States (with an estimated population equal to about 10 percent of the U. S. total) now prohibit the manufacture or sale of colored margarine.

Lard and shortening- Consumption of lard has been relatively stable over the past several years, but consumption of shortening has varied slightly, reflecting changes in supplies of edible vegetable oils, particularly cottonseed oil. Production of both lard and the edible vegetable oils will decrease in the current marketing year. However, use in products for domestic consumption may be maintained at the level of the preceding year by drawing on the large stocks of edible fats and oils on hand at the beginning of the marketing year. During 1951-52, lard consumption is estimated at 12 pounds per capita and shortening consumption at 10 pounds.

Other food fats and oils- Domestic disappearance of other food fats and oils--largely cottonseed, corn, soybean, peanut, olive and coconut oils used as cooking and salad oils, in mayonnaise and salad dressing, and in bakery goods and confectionery--was moderately larger in 1951-52 than in the preceding year. These uses of fats and oils have shown a marked upward trend over the past 20 years. This may continue into 1952-53.

Inventory shifts affected quarterly disappearance in recent years- Disappearance of shortening and of "other edible oils" in the July-September quarter of 1950 through the first part of the January-March 1951 quarter was unusually large. The excess above normal is believed to have reflected mainly the accumulation of stocks in unreported positions by wholesalers, retailers, and final consumers. Apparent disappearance dropped sharply in the April-June 1951 quarter and continued low through at least part of the July-September quarter. This is assumed to have reflected the using up of stocks in unreported positions accumulated earlier. Disappearance of food fats during the April-June 1952 quarter appears to have been unusually high.

Consumption of drying-oils to continue close to 1951-52 level

Total use of fats and oils in drying-oil products was about 20 percent smaller in 1951-52 than in 1950-51. Total use in paints and varnishes in the 10 months ended July 1952 was 531 million pounds, compared with 678 million a year earlier; in linoleum and oilcloth 95 million pounds, compared with 128 million pounds a year earlier; and in other drying-oil products 150 million pounds, compared with 176 million pounds in 1950-51. Decreases are believed to reflect mainly increasing substitution of mineral spirits for linseed oil in paint and the increasing use of wholly oil-free coatings made from synthetic resins, rubber and rubber derivatives, and other chemicals. Also inventories in unreported positions may have been reduced to some extent. Apparent disappearance of fats and oils in drying-oil products in 1952-53 may be about the same as a year earlier.

Use of soybean oil in drying-oil products was moderately larger than in the preceding year when soybean oil prices were unusually high in relation to prices of linseed oil. Consumption of most other oils

Table 10.- Domestic disappearance of food fats, and fats and oils used in industrial products, year beginning October 1951 with comparisons

Year and Item	Unit	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Total
1949-50						
Butter:						
Actual weight	Mil. lb.	378	413	431	387	1,609
Fat content	Mil. lb.	305	332	347	312	1,296
Margarine:						
Actual weight	Mil. lb.	224	259	177	237	898
Fat content	Mil. lb.	182	210	144	194	730
Lard (direct)	Mil. lb.	499	446	422	458	1,825
Shortening	Mil. lb.	362	450	338	481	1,631
Other edible 1/	Mil. lb.	281	300	295	413	1,289
Food (fat content):						
Total	Mil. lb.	1,628	1,739	1,546	1,857	6,771
Per person 2/	Pounds	10.8	11.5	10.1	12.1	44.5
Soap 3/ 4/	Mil. lb.	429	420	354	408	1,611
Drying oil products 5/	Mil. lb.	218	201	271	313	1,004
Other industrial products 4/	Mil. lb.	245	295	281	287	1,108
All industrial products:						
Total	Mil. lb.	893	916	907	1,007	3,722
Per person 2/	Pounds	5.9	6.0	6.0	6.6	24.5
All products (fat content):						
Total	Mil. lb.	2,521	2,655	2,453	2,864	10,493
Per person 2/	Pounds	16.7	17.5	16.1	18.7	69.0
1950-51						
Butter:						
Actual weight	Mil. lb.	417	370	402	375	1,564
Fat content	Mil. lb.	336	298	323	302	1,259
Margarine:						
Actual weight	Mil. lb.	257	273	225	243	998
Fat content	Mil. lb.	209	223	183	199	814
Lard (direct)	Mil. lb.	529	500	438	434	1,901
Shortening	Mil. lb.	407	388	270	358	1,423
Other edible 1/	Mil. lb.	329	333	263	286	1,211
Food (fat content):						
Total	Mil. lb.	1,810	1,741	1,477	1,579	6,608
Per person 2/	Pounds	11.8	11.3	9.5	10.1	42.7
Soap 3/ 4/	Mil. lb.	495	487	346	254	1,582
Drying oil products 5/	Mil. lb.	267	314	277	246	1,104
Other industrial products 4/	Mil. lb.	314	312	303	278	1,208
All industrial products:						
Total	Mil. lb.	1,076	1,114	926	778	3,894
Per person 2/	Pounds	7.0	7.2	6.0	5.0	25.2
All products (fat content):						
Total	Mil. lb.	2,886	2,855	2,403	2,357	10,502
Per person 2/	Pounds	18.8	18.5	15.5	15.2	67.9
1951-52						
Butter:						
Actual weight	Mil. lb.	371	319	372		
Fat content	Mil. lb.	299	257	299		
Margarine:						
Actual weight	Mil. lb.	286	335	300		
Fat content	Mil. lb.	234	274	243		
Lard (direct)	Mil. lb.	521	488	433		
Shortening	Mil. lb.	378	399	414		
Other edible 1/	Mil. lb.	297	328	378		
Food (fat content):						
Total	Mil. lb.	1,729	1,746	1,767		
Per person 2/	Pounds	11.1	11.1	11.2		
Soap 3/ 4/	Mil. lb.	293	341	294		
Drying oil products 5/	Mil. lb.	216	223	231		
Other industrial products 4/	Mil. lb.	295	313	338		
All industrial products:						
Total	Mil. lb.	804	877	864		
Per person 2/	Pounds	5.1	5.6	5.5		
All products (fat content):						
Total	Mil. lb.	2,533	2,623	2,631		
Per person 2/	Pounds	16.2	16.7	16.7		

Computed from reports of the Bureau of the Census and United States Department of Agriculture. Total and per person estimates computed from unrounded numbers.

1/ Mainly salad and cooking oils. Includes all oils and fats (other than butter, lard, margarine, and shortening) used in mayonnaise and salad dressing, bakery goods, and confectionery, commercial roasting and frying, etc.

2/ Civilian and military. 3/ Excludes fat equivalent of exports and shipments of soap. 4/ Fat equivalent of soap used in manufactures (rubber, textiles, etc.) is included with "Other industrial products." Prior to 1949, most of the fats and oils used in synthetic detergents is believed to have been reported as used in soap. Beginning in January 1949, this use of fats and oils is entirely included in "Other industrial products."

5/ Paints, varnishes, floor coverings, oilcloth, printing inks, core oils, synthetic resins, insulation, linings, packings, coated fabrics (other than oilcloth), caulking and other protective coatings.

for this purpose was substantially less than a year earlier. Use of linseed oil was down 26 percent, tung oil 40 percent, castor oil 32 percent, and oiticica oil 18 percent. Total supplies of drying oils are expected to be fully adequate, but stocks of linseed oil will be reduced moderately.

Imports of castor beans and oil in 1952-53, which on an oil equivalent basis may total between 150 and 175 million pounds, will be supplemented by the production of about 25 million pounds of oil from domestically-produced beans.

Castor oil is a strategic oil and is being stockpiled by the Munitions Board. Castor oil and its derivatives are used in jet-engine lubricating oil and other aircraft lubricants, hydraulic fluids, greases, and plastic-coated combat wire, all of which are important for military and defense purposes. In addition, dehydrated castor oil is used in the manufacture of paints and varnishes, electrical insulations, and other protective coatings. Specific limitations on different types of uses for castor oil have been in effect since the April-June 1951 quarter under Defense Food Order 1. Total use of castor oil in the 10 months ended July 1952 was 146 million pounds, 3 percent more than a year earlier. Of the total, 18 percent was used in drying-oil products compared with 32 percent in 1949-50, before the limitation order was in effect.

Tung oil is the major quick-drying oil used in protective coatings in this country. However, imports of this oil from China, the main source of supply, have been embargoed since December 1950. About 20 percent of normal usage in the United States is obtained from domestically-produced tung nuts and another 10-20 percent may be available from Argentina.

Imports of oiticica oil in 1952-53 may be down considerably as the Brazilian crop of oiticica seed in 1952 is estimated to be about half last year's crop. Most of the oiticica oil imported comes from Brazil and is used in drying-oil products.

Supplies of quick-drying oils are expected to be adequate to meet essential defense and industrial needs, but total domestic use in drying-oil products will continue much smaller than before the outbreak of hostilities in Korea.

Use of Fats and Oils in Detergents May Increase Over the Low 1951-52 Level

Total use of fats and oils in soap in 1951-52 was about 20 percent less than a year earlier. Use was unusually high during the first two quarters of the 1950-51 marketing year but was unusually low in the last quarter, reflecting mainly changes in inventories of soap products. The seasonal pattern during 1951-52 has been more nearly normal, although consumption of soap products probably exceeded production during a good part of the year, reflecting the use of inventories accumulated during 1950-51. The liquidation of inventories is believed to have been about completed. Thus, use of fats and oils in detergents in 1952-53 may be somewhat larger than the low usage in 1951-52 Increased usage due to inventory adjustments for soap products will be offset in part by the anticipated continued expansion in the sale of synthetic detergents.

The growing importance of synthetic detergents is not reflected in the use of fats and oils in soap and synthetic detergents. A substantial part of the total synthetics are made from petroleum derivatives and coal-tar products, and those made from fats and oils have a relatively low fat content.

Production of inedible tallow and grease continues to exceed greatly the amount required for domestic consumption. In recent years, production has been nearly double that in the prewar period 1937-41 while domestic consumption has increased by only about a third. As a result, exports in the first 10 months of the 1951-52 marketing year equaled 31 percent of production, whereas the United States was on a net import basis in a number of years prior to World War II. The proportion which inedible tallow and grease represents of the total saponifiable materials used in soap has been at a high level in recent years, being about 70 percent in the period October-July 1951-52, compared with about 65 percent a year earlier, and 49 percent in 1937-41 but, with the sharp reduction in use of fats and oils in soap in 1951-52, use of tallow and grease in these products was about 20 percent less than a year earlier. Use of inedible tallow and grease in products other than soap increased sharply in recent years and continues at a high level. Production of tallow and grease is expected to be large in 1952-53 and prices probably will average no higher than in the 1951-52 marketing year.

Use of Fats and Oils in Miscellaneous Industrial Products to Continue At a High Level

Use of fats and oils in other industrial products was about the same in 1951-52 as in 1950-51, when the largest amount on record was so used. During the 10 months ended July 1952, 1,030 million pounds were used for these purposes. Monthly data are not available to show the break-down by uses of this total. However, of the 1,176 million pounds used in calendar-year 1950, 501 million pounds were used in fat splitting, 161 million pounds represents the fat equivalent of soaps used in industrial products, mainly textiles and rubber, 49 million in textiles, 53 million in rubber, 36 million in tin and terne plate, and 40 million in sulphonation. Smaller quantities are listed for a number of other industries. Part of the use in pressing and in "other processing" also is included.

During the 10 months ended July 1952 the most important fats and oils used for this purpose were inedible tallow and grease (402 million pounds), coconut oil (136 million pounds), soybean oil (135 million pounds), fish and fish liver oils (61 million pounds), castor oil (58 million pounds), palm oil (24 million pounds), and lard (23 million pounds).

Use for miscellaneous industrial purposes varies with the level of industrial activity but has followed a generally rising trend. Usage for these purposes is expected to continue high in 1952-53.

Production of tall oil, a byproduct of the sulphate paper industry, is at an annual rate of about 300 million pounds per year. Domestic disappearance in the 10 months ended July 1952 was 222 million pounds, compared with 289 million in the preceding year. The major reported use of tall oil is in the production of synthetic drying oils for use in paints, varnishes and linoleum. Exports also are an important outlet.

Table 11.- Inedible tallow and greases: Production, utilization, net foreign trade, and wholesale price, United States, 1937-52

Period	Apparent production 1/	Factory consumption			Net imports (+) or net exports (-)	Stocks, end of period	Price per pound, prime inedible tallow, Chicago
		In soap	In other products	Total			
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Cents
Average							
1937-41	1,167	965	204	1,169	+ 2	321	6.3
1942-46	1,748	1,398	417	1,815	+ 25	233	9.2
1947	2,023	1,526	356	1,882	- 68	246	19.2
1948	1,940	1,451	331	1,782	- 87	317	16.0
1949	2,132	1,346	320	1,666	-431	352	6.4
1950	2,272	1,363	444	1,807	-534	283	8.8
1951	2,250	1,173	486	1,659	-530	345	12.1
Oct.-July							
1949-50	1,767	1,059	324	1,383	-373	367	6.1
1950-51	1,998	1,105	419	1,524	-413	340	14.4
1951-52	1,902	896	402	1,298	-599	346	6.4

1/ Computed from factory consumption, trade and stocks.

Compiled from reports of the Bureau of the Census.

Table 12.- Calculation of domestic disappearance of fats and oils, except butter, used in food, year beginning October 1951 with comparisons

Year and item	Unit	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Total
1949						
Fats and oils used principally for food 1/						
Production	Mil.lb	2,273	1,976	1,526	1,340	7,115
Net exports	Mil.lb	351	423	298	149	1,221
Increase (+) or decrease (-) in stocks	Mil.lb	+475	+4	-44	-417	+18
Nonfood uses	Mil.lb	150	165	119	118	552
Other fats and oils, food uses 2/	Mil.lb	27	23	46	56	152
Net domestic disappearance of fats and oils for food (butter excluded)						
Total	Mil.lb	1,324	1,407	1,199	1,545	5,475
Per person, civilian and military	Pounds	8.8	9.3	7.9	10.1	36.0
1950 3/						
Fats and oils used principally for food 1/						
Production	Mil.lb	2,248	2,038	1,623	1,457	7,366
Net exports	Mil.lb	302	295	518	392	1,507
Increase (+) or decrease (-) in stocks	Mil.lb	+335	+191	-125	-266	+135
Nonfood uses	Mil.lb	179	154	115	92	539
Other fats and oils, food uses 2/	Mil.lb	43	45	38	38	164
Net domestic disappearance of fats and oils for food (butter excluded)						
Total	Mil.lb	1,475	1,443	1,154	1,277	5,349
Per person, civilian and military	Pounds	9.6	9.4	7.4	8.2	34.6
1951 3/						
Fats and oils used principally for food 1/						
Production	Mil.lb	2,445	2,295	1,627		
Net exports	Mil.lb	415	443	232		
Increase (+) or decrease (-) in stocks	Mil.lb	+502	+244	-163		
Nonfood uses	Mil.lb	130	152	132		
Other fats and oils, food uses 2/	Mil.lb	33	34	43		
Net domestic disappearance of fats and oils for food (butter excluded)						
Total	Mil.lb	1,430	1,489	1,468		
Per person, civilian and military	Pounds	9.1	9.5	9.3		

Compiled from reports of the Bureau of the Census and United States Department of Agriculture. Totals and per person estimates computed from unrounded numbers.

1/ Includes lard, oleo oil, oleo stock, oleo stearine, edible tallow; corn, cotton seed, peanut, soybean and edible olive oil. Production and exports include oil equivalent of exported soybeans and peanuts for crushing abroad. Net exports also include margarine, shortening and vegetable stearine, and shipments. Change in stocks includes vegetable stearine, shortening and estimates for farm lard; and in 1951, margarine.

2/ Mainly babassu, coconut, palm-kernel and sesame oils. Unreported disappearance of these oils assumed to be for food purposes, as well as factory consumption in food uses. (Unreported disappearance is the difference between domestic disappearance, computed from production, imports, exports, and factory and warehouse stocks, and total factory consumption including refining loss.)

3/ Preliminary.

Table 13.- Fats and oils, including margarine and shortening: Production from domestic and imported materials, January-July 1951 and 1952, and May and June 1952, and factory and warehouse stocks at end of month, with comparative data

Items grouped by major use	Production 1/				Stocks			
	January-July		1952		1951	1952		
	1951	1952	May	June	August 31	June 30	July 31	August 31
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
PRIMARY FATS AND OILS								
Food fats and oils								
Butter 2/	764.9	739.0	135.0	131.1	116.8	68.6	99.8	112.2
Lard and rendered pork fat 3/	1,264.3	1,342.0	165.8	160.3	71.9	214.7	208.0	167.7
Oleo oil, oleo stock, edible animal stearine, and edible tallow	90.4	107.2	18.0	14.2	7.1	9.1	9.9	10.9
Total edible animal fats	2,119.6	2,188.2	318.8	305.6	195.8	292.4	317.7	290.8
Corn oil	143.3	129.6	19.4	19.1	14.0	14.4	15.5	12.0
Cottonseed oil	477.2	811.0	72.1	52.8	127.2	460.0	402.4	356.4
Olive oil, edible	1.5	4.0	---	---	20.9	8.8	7.6	6.9
Peanut oil	127.5	79.6	12.9	8.7	24.3	17.6	17.4	14.9
Soybean oil	1,471.7	1,447.6	199.0	190.0	193.2	296.4	296.7	260.6
Total edible vegetable oils	2,221.2	2,471.8	303.4	270.6	379.6	797.2	739.6	650.8
Soap fats and oils								
Tallow, inedible, and greases, excluding wool grease 4/	1,353.4	1,347.6	187.7	183.8	347.3	332.3	345.6	337.9
Palm oil	---	---	---	---	18.1	31.9	29.4	26.2
Fish oil	66.3	56.0	10.9	16.3	68.1	42.4	56.9	64.8
Whale and seal oils	5/	---	---	---	---	.2	.2	.3
Olive oil, inedible and foots	6/	6/	---	---	.3	.4	.1	3.4
Total slow-lathering oils	1,419.7	1,403.6	198.6	200.1	433.8	407.2	432.2	432.6
Coconut oil	282.1	224.1	29.6	21.5	91.8	64.3	57.3	59.4
Other lauric-acid oils	21.6	.2	.1	---	10.2	.4	.1	6/
Total lauric-acid oils	303.7	224.3	29.7	21.5	102.0	64.7	57.4	59.4
Drying oils								
Castor oil, dehydrated	16.9	8.7	1.2	1.6	7.8	4.6	4.3	3.8
Linseed oil	474.2	293.1	41.6	44.0	673.9	674.6	669.3	653.3
Oiticica oil	---	---	---	---	9.0	4.8	4.7	5.8
Tung oil	8.3	10.0	6/	6/	21.2	13.8	15.0	12.8
Total drying oils	499.4	311.8	42.8	45.6	711.9	697.8	693.3	675.7
Other industrial oils and fats								
Neat's-foot oil	3.2	1.1	.3	.1	1.1	1.1	.9	1.0
Sperm oil	---	---	---	---	27.3	23.0	23.2	20.3
Wool grease	7.4	4.4	.6	.7	.5	.4	.5	.5
Cod oil and fish-liver oils	1.4	.9	.3	.1	9.8	6.0	5.9	6.0
Castor oil, No. 1 and No. 3 7/	41.0	34.7	5.1	4.5	31.5	22.4	19.8	22.6
Other vegetable oils	30.7	13.3	1.5	1.5	25.1	17.0	18.1	14.9
Total	83.7	54.4	7.8	6.9	95.3	69.9	68.4	65.3
Grand total 8/	9/7,023.4	9/7,160.2	901.2	850.2	1,918.4	2,329.1	2,308.6	2,174.7
From domestic materials	9/6,656.9	9/6,888.4	864.8	822.1				
From imported materials	366.5	271.8	36.4	28.1				
FAT-AND-OIL PRODUCTS								
Margarine								
Colored	432.2	626.7	87.4	93.4	9.5	15.9	14.3	10.3
Uncolored	143.7	86.8	13.3	10.6	2.7	2.6	2.7	2.0
Total	575.9	713.5	100.7	104.0	12.2	18.5	17.0	12.3
Shortening	783.0	909.7	138.7	142.7	104.7	81.9	88.4	92.6

1/ Factory production except as otherwise noted.
2/ Creamery butter production and cold-storage stocks, United States Department of Agriculture.
3/ Federally inspected production, United States Department of Agriculture.
4/ Total apparent production, Bureau of Agricultural Economics. (Computed from factory consumption, trade, and stocks).
5/ Less than 50,000 pounds.
6/ Included in "Other vegetable oils."
7/ Production of No. 1 and No. 3 minus production of dehydrated castor oil.
8/ Computed from unrounded numbers.
9/ Includes estimated output of farm butter and non-federally inspected lard, 376 million pounds in January-July 1951; 506 million pounds in January-July 1952.

Compiled from reports of the Bureau of the Census, except as noted. Data include stocks held by the Government in reported positions.

Table 14.- Imports and exports of fats, oils, oil-bearing materials, and fat-and-oil products in terms of oil, January-July 1951 and 1952 and May and June 1952

Item	Imports for consumption				Exports 1/			
	January-July		1952		January-July		1952	
	1951	1952	May	June	1951	1952	May	June
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils								
Butter	2/	.2	2/	.2	3/ 21.2	.8	2/	2/
Lard	2/	3.7	2/	2.2	410.7	435.8	46.4	29.0
Oleo oil	---	---	---	---	2.3	2.8	.5	.5
Oleo stock	---	---	---	---	2.0	15.4	2.9	2.1
Stearins, animal, edible	---	---	---	---	1.5	.6	.1	2/
Tallow, edible	.2	2/	2/	---	2.7	6.0	.6	1.1
Total, edible animal fats	.2	3.9	2/	2.4	440.4	461.4	50.5	32.7
Cottonseed oil	---	---	---	---	23.0	4/ 81.6	8.8	9.1
Cottonseed (15.5 percent)	---	---	---	---	1.5	2.8	2/	2/
Olive oil, edible	29.8	22.5	2.9	3.0	2/	---	---	---
Peanut oil	---	---	---	---	35.0	13.7	.5	1.0
Peanuts, shelled (43 percent)	---	---	---	---	19.7	---	---	---
Soybean oil	---	2/	---	---	302.9	5/125.3	24.1	9.7
Soybeans (16.3 percent)	2/	2/	2/	---	165.5	77.9	5.9	6.9
Other vegetable oils	.9	.3	2/	2/	2.5	25.2	5.5	3.4
Total, edible vegetable oils	30.7	22.8	2.9	3.0	550.1	326.5	44.8	30.1
Soap fats and oils								
Fish and fish liver oils, non-medicinal	11.6	12.4	.6	2.2	14.6	17.9	2.7	1.9
Greases	.1	.3	---	---	31.8	61.3	4.1	8.2
Marine mammal oils	35.5	20.6	7.0	.4	.4	.2	2/	.1
Foots and soap stock, including olive oil	3.8	.1	2/	2/	2/	4.2	.5	1.4
Palm oil	44.1	38.9	1.9	.3	.5	5/	6/	6/
Tallow, inedible	2.6	.5	.2	.2	246.7	374.8	52.5	40.6
Total, slow-lathering oils	97.7	72.8	9.7	3.1	294.0	458.4	59.8	52.2
Babassu oil	24.1	1.9	---	---	---	---	---	---
Babassu kernels (63 percent)	13.7	---	---	---	---	---	---	---
Coconut oil	77.3	53.0	7.5	9.8	15.2	7/ 24.5	4.0	2.2
Copra (63 percent)	331.9	227.0	27.6	20.7	.2	---	---	---
Palm-kernel oil	4.7	4.3	.3	.9	---	---	---	---
Tucum kernels (43 percent)	8.0	.2	.1	---	---	---	---	---
Total, lauric-acid oils	459.7	286.4	35.5	31.4	15.4	24.5	4.0	2.2
Drying oils								
Flaxseed (35.4 percent)	2/	2/	2/	---	32.6	36.7	4.3	7.4
Linseed oil	2/	2/	2/	---	6.3	8/ 17.2	2.1	.2
Oiticica oil	10.9	3.5	.9	.4	---	---	---	---
Tung oil	21.8	19.9	1.2	4.6	3.9	.9	2/	---
Total	32.7	23.4	2.1	5.0	42.8	54.8	6.4	7.6
Other industrial oils and fats								
Cashew nut shell liquid (oil)	4.8	3.7	2/	1.9	---	---	---	---
Castor oil	60.1	65.0	12.1	11.6	1.1	.4	2/	2/
Castor beans (45 percent)	48.5	39.7	6.4	5.5	---	---	---	---
Fish and fish liver oils, medicinal	16.5	15.2	1.8	2.7	.5	.2	2/	2/
Neat's-foot oil and stock	.6	2/	2/	2/	.3	.2	2/	2/
Rapeseed oil	4.7	2.5	1.1	2/	.2	---	---	---
Wool grease 5/	3.5	3.1	.6	.5	1.6	---	---	---
Other vegetable oils and fats	4.9	4.1	.3	.4	1.9	---	---	---
Total	143.6	133.3	22.3	22.6	5.6	.8	2/	2/
Manufactured products (fat content)								
Margarine 9/	2/	2/	2/	2/	.8	1.2	.2	.2
Shortening	2/	2/	2/	---	7.6	4.3	.6	1.0
Cooking and salad oils	---	---	---	---	---	3.2	.3	.2
Salad products 10/	---	---	---	---	---	1.1	.2	.2
Soap	.5	.2	2/	2/	13.2	12.8	2.2	1.4
Fatty acids	2.2	2.5	.6	.2	22.0	23.1	3.3	4.2
Total	2.7	2.7	.6	.2	43.6	45.7	6.8	7.2
Grand total 11/	767.2	545.5	73.3	68.1	1,392.0	1,372.0	172.2	132.3

1/ Includes reexports of coconut and other vegetable oils, foots and soap stock, including olive oil and copra. Does not include shipments.

2/ Less than 50,000 pounds.

3/ January, 2.7 million pounds; February, 3.9 million pounds; March, 8.9 million pounds; April, 3.7 million pounds; May, 2.0 million pounds; June, 0.1 million pounds; July, 0.2 million pounds.

4/ Includes 13.8 million pounds, refined, but not further processed; 6.9 million pounds, refined, deodorized, and hydrogenated; and 60.9 million pounds, crude.

5/ Includes 8.0 million pounds, refined, but not further processed; 6.1 million pounds, refined, deodorized, and hydrogenated; 111.2 million pounds, crude.

6/ Not reported separately.

7/ Includes 2.1 million pounds, refined, but not further processed; 2.1 million pounds, refined, deodorized, and hydrogenated; 20.1 million pounds, crude.

8/ Includes 0.8 million pounds, blown, bodied or boiled; 16.4 million pounds, crude

9/ Imported margarine goes largely to Puerto Rico and the Virgin Islands.

10/ Includes mayonnaise and salad dressing.

11/ Computed from unrounded numbers.

Compiled from reports of the Bureau of the Census, and United States Department of Agriculture.

Table 15.- Index numbers of wholesale prices of fats and oils, August 1952 with comparisions

Item	1947-49=100				
	1950	1951	1952		
	August	August	June	July	August
All fats and oils	80	84	77	78	78
All fats and oils, except butter	74	74	59	58	57
Grouped by origin:					
Animal fats	63	66	46	42	40
Vegetable oils, domestic	77	73	61	60	62
Vegetable oils, foreign	86	89	77	77	73
Grouped by use:					
Butter	87	98	101	105	107
Butter, seasonally adjusted	91	102	109	112	112
Lard	80	92	57	55	51
Food fats other than butter and lard	80	77	61	60	62
All edible fats and oils	95	90	86	88	90
Soap fats	68	65	47	45	42
Drying oils	74	82	83	81	80
Other industrial	73	81	62	59	57
All industrial	70	71	58	56	54
Edible vegetable oils, grouped by degree of processing:					
Crude	81	77	61	60	62
Refined	81	78	67	70	69
End products	87	90	78	79	79

All indexes except "Butter, seasonally adjusted" and "Other industrial" from Bureau of Labor Statistics.

Table 16.- Price received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals, August 1950 and 1951 and June-August 1952

Item	Unit	1950	1951	1952		
		August	August	June	July	August
		Dol.	Dol.	Dol.	Dol.	Dol.
Castor beans, Brazilian ports.	Long ton	136.67	230.00	172.50	180.00	170.00
Copra, Philippines, c.i.f. Pacific Coast	Short ton	208.12	179.50	144.38	131.88	131.50
Cottonseed, United States average	Short ton	70.90	69.10	61.90	71.00	69.80
Flaxseed, No. 1, Minneapolis	Bushel	3.75	3.41	4.00	4.02	4.17
Flaxseed, United States average	Bushel	3.35	3.13	3.67	3.68	3.77
Peanuts, No. 1, shelled, Spanish, Southeastern shipping points*	100 lb.	18.38	17.38	21.50	21.25	21.00
Peanuts, United States average	100 lb.	11.00	10.80	10.30	10.30	10.90
Soybeans, No. 2, yellow, Chicago	Bushel	2.92	---	3.25	3.28	---
Soybeans, No. 2, yellow, Illinois country shipping points	Bushel	2.75	2.87	3.17	3.22	3.25
Soybeans, United States average	Bushel	2.42	2.71	3.02	3.00	3.05
		Oilseed Meals 1/				
Copra meal, Los Angeles 2/	Short ton	80.60	70.60	88.90	91.80	90.75
Cottonseed meal, 41 percent protein, Memphis	Short ton	74.70	68.75	93.25	92.50	103.50
Cottonseed meal, 41 percent protein, Chicago	Short ton	85.05	79.50	---	---	---
Linseed meal, 36 percent protein, Minneapolis 3/	Short ton	67.80	63.75	78.00	78.00	83.25
Linseed meal, 34 percent protein, New York	Short ton	81.50	79.50	93.65	93.65	101.90
Peanut meal, 45 percent protein, f.o.b. Southeastern mills	Short ton	77.20	68.50	92.95	91.10	95.30
Soybean meal, 44 percent protein, Chicago 4/	Short ton	73.20	77.40	94.70	94.70	103.50
Soybean meal, 41 percent protein, bulk, Decatur	Short ton	5/67.30	64.60	93.25	93.10	103.60

Compiled from Oil, Paint, and Drug Reporter, Daily Market Record (Minneapolis), Wall Street Journal, Chicago edition, reports of the Bureau of Agricultural Economics, and records of Production and Marketing Administration.

1/ Bagged carlots, except soybean meal at Decatur, which is bulk.
2/ Original quotations adjusted to bagged-carlots basis.
3/ 34 percent prior to July 1950.
4/ 41 percent prior to July 1950.
5/ 44 percent.

* This price applies to peanuts for edible uses.

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